

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

OMB APPROVAL

OMB Number: 3235-0123  
Expires: March 31, 2016  
Estimated average burden  
Hours per response . . . 12.00



ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC  
Mail Processing  
Section

MAR 16 2015

Washington DC

SEC FILE NUMBER

8 - 43665

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/14 AND ENDING 12/31/14  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER:

SPENCER TRASK VENTURES, INC.

OFFICIAL USE ONLY

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1140 AVENUE OF THE AMERICAS, 9<sup>TH</sup> FL

(No. And Street)

NEW YORK,  
(City)

NY  
(State)

10036  
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

STEVE WENDLER

(212) 326-9232

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report \*

FULVIO & ASSOCIATES, LLP

ATTN: JOHN FULVIO, CPA

(Name - if individual state last, first, middle name)

5 West 37<sup>th</sup> Street, 4<sup>th</sup> Floor  
(Address)

NEW YORK  
(City)

NY  
(State)

10018  
(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as basis for the exemption. See section 240.17a-5(e)(2)

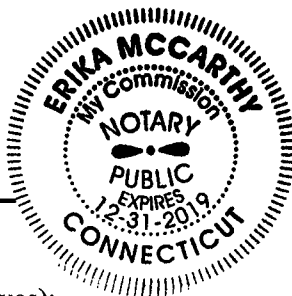
Potential persons who are to respond to the collection of  
information contained in this form are not required to respond  
unless the form displays a currently valid OMB control number.

## OATH OR AFFIRMATION

I, STEVE WENDLER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SPENCER TRASK VENTURES, INC., as of DECEMBER 31, 2014, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Erika McCarthy  
Notary Public



[Signature]  
Signature  
\_\_\_\_\_  
CEO  
Title

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Cash Flows.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation or Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of previous audit.
- ☐ (o) Supplemental Independent Auditors' Report on Internal Accounting Control.

*\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

SPENCER TRASK VENTURES, INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2014

# FULVIO & ASSOCIATES, L.L.P.

*Certified Public Accountants*

JOHN FULVIO, CPA  
SUSAN E. VAN VELSON, CPA  
KENNETH S. WERNER, CPA  
ANTHONY CHRYSIKOS, CPA

New York Office:  
5 West 37th Street, 4th Floor  
New York, New York 10018  
TEL: 212-490-3113  
FAX: 212-575-5159  
www.fulviollp.com

Connecticut Office:  
95B Rowayton Avenue  
Rowayton, CT 06853  
TEL: 203-857-4400  
FAX: 203-857-0280

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder of  
Spencer Trask Ventures, Inc.:

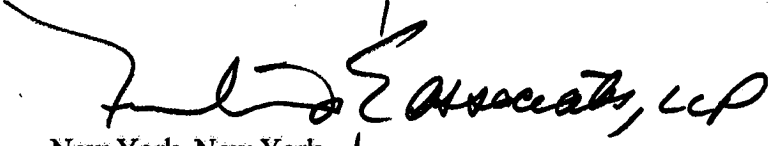
We have audited the accompanying statement of financial condition of Spencer Trask Ventures, Inc. (the "Company") as of December 31, 2014 that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statement. This financial statement is the responsibility of the Company. Our responsibility is to express an opinion on this financial statement based on our audit.

### *Auditor's Responsibility*

We conducted our audit in accordance with auditing standards promulgated by the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether this financial statement is free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in this financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of this financial statement. We believe that our audit provides a reasonable basis for our opinion.

### *Opinion*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Spencer Trask Ventures, Inc. as of December 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

  
New York, New York  
March 11, 2015

SPENCER TRASK VENTURES, INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2014

ASSETS

Cash	\$ 32,993
Receivable from broker	253,925
Advances to employees	175,914
Promissory notes receivable	900,355
Other assets	<u>223,990</u>
 TOTAL ASSETS	 <u>\$ 1,587,177</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES:

Accounts payable	131,740
Accrued expense and other liabilities	<u>7,106</u>
 TOTAL LIABILITIES	 <u>138,846</u>

STOCKHOLDER'S EQUITY:

Common stock	5,000
Additional paid-in capital	64,834,173
Accumulated deficit	<u>(63,390,842)</u>
 TOTAL STOCKHOLDER'S EQUITY	 <u>1,448,331</u>
 TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	 <u>\$ 1,587,177</u>

The accompanying notes are an integral part of this financial statement.

SPENCER TRASK VENTURES, INC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014

NOTE 1      ORGANIZATION AND NATURE OF BUSINESS

Organization and Nature of Business:

Spencer Trask Ventures, Inc. (the "Company") is a wholly owned subsidiary of Spencer Trask & Co. (the "Parent") and was incorporated in the State of Delaware on March 11, 1991. In September 2000, the Company changed its name from Spencer Trask Securities Incorporated. One individual owns the Parent. The Company is a broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). The Company became a registered broker-dealer pursuant to Section 15(b) of the Securities Exchange Act of 1934 on September 26, 1991. The Company does not carry customer accounts and is exempt from the Customer Protection Rule (SEC Rule 15c3-3) pursuant to provision K(2)(i) of such rule. The Company acts as an agent/manager in private placement offerings whereby the securities are placed on a "best-efforts" basis in connection with the financing of such transactions. Effective January 18, 2015, the Company no longer provides brokerage and investment banking services to domestic and foreign customers.

NOTE 2      SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The Company follows accounting standards established by the Financial Accounting Standards Board (the "FASB") to ensure consistent reporting of financial condition, results of operations, and cash flows. References to Generally Accepted Accounting Principles ("GAAP") in these footnotes are to the FASB Accounting Standards Codification, sometimes referred to as the "Codification" or "ASC."

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the Company considers highly liquid financial instruments purchased with a maturity of three months or less excluding funds held in trading accounts, to be cash equivalents.

SPENCER TRASK VENTURES, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014  
(continued)

NOTE 2      SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue:

Fees from private placement offerings, including commissions, investment banking fees, and expense allowances arising from security offerings in which the Company acts as a placement agent are recorded when the transaction settles. In connection with its agency business, the Company recognizes commission income and expense on a trade-date basis as securities transactions occur.

Income Taxes:

The Parent elected, under the Internal Revenue Code, to be taxed as an S Corporation, effective January 1, 2001. In addition, the Parent has elected to treat the Company (an eligible subsidiary) as a qualified subchapter S subsidiary ("Qsub"). For income tax purposes, the Qsub election resulted in a deemed liquidation of the Company into the Parent. As a result of the deemed liquidation, the Company is not treated as a separate corporation for income tax purposes and all of the Company's assets, liabilities, and items of income, deduction and credit are treated as those of the Parent. The Parent's stockholder is taxed on his proportionate share of the Company's taxable income. Certain specific deductions and credits flow through the Company to its stockholder.

No provision is made in the accompanying financial statements for federal or state income taxes since such liabilities are the responsibility of the stockholder.

The Company complies with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce the deferred income tax assets to the amount expected to be realized.

ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax of positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. The tax years that remain subject to examination are 2013, 2012, and 2011. The Company determined that there are no uncertain tax positions which would require adjustments or disclosures on the financial statements.

SPENCER TRASK VENTURES, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014  
(continued)

NOTE 2      SIGNIFICANT ACCOUNTING POLICIES (continued)

Contingencies:

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guaranteeing, in which case the nature of the guarantee would be disclosed.

Fair Value Measurement – Definition and Hierarchy:

FASB ASC 820, Fair Value Measurement, has no material effect on these financial statements.

NOTE 3      CONCENTRATIONS OF CREDIT RISK

The Company maintains its cash in bank deposit accounts with a major New York financial institution, which, at times, may exceed federally insured limits. The Federal Deposit Insurance Corporation insures accounts up to \$250,000. The Company has not experienced any losses with respect to these deposits.

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.



SPENCER TRASK VENTURES, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014  
(continued)

NOTE 4      RECEIVABLE FROM CLEARING BROKER

In May 2012 the Company entered into a clearance agreement (the "Agreement") with RBC Correspondent Services ("RBC") a division of RBC Capital Markets LLC. RBC is a member of various stock exchanges and is subject to the rules and regulations of such organizations as well as those of the Securities and Exchange Commission. Under the terms of the Agreement, RBC clears the brokerage transactions of the Company's customers on a fully disclosed basis. The Company has agreed to indemnify RBC for losses that the clearing broker may sustain from the customers' accounts introduced by the Company. The Company is required to maintain an escrow deposit with RBC for \$250,000 in cash, which is included in the statement of financial condition. As of December 31, 2014, there were no significant unsecured amounts owed to RBC by these customers in connection with normal margin, cash and delivery against payment transactions.

NOTE 5      PROMISSORY NOTES RECEIVABLE

In 2013, the Company purchased a series of 6% convertible promissory notes of Metavana, Inc., a Delaware Corporation (the "Issuer") with maturity dates of December 31, 2014 (the "2013 Notes"), unless, and to the extent, they are converted into shares of series C preferred stock. The 2013 Notes contain a mandatory conversion provision in the event the Issuer receives aggregate gross proceeds of at least Two Million Dollars (\$2,000,000) in a financing. The Issuer unconditionally promised to repay the Company \$854,798, based on the aforementioned terms. On May 22, 2014, the principal amount of the 2013 Notes, along with accrued interest of \$45,557, were converted into a 6% Senior Secured Convertible Note with a maturity date of June 30, 2015 (the "2014 Note"), unless converted into the next equity round or in the event 50% or more of the voting securities of the Issuer are transferred or substantially all of the assets of the Issuer are sold. The 2014 Note is secured by a first lien and security interest in all of the assets of the Issuer.

NOTE 6      PROFIT SHARING 401(k) PLAN AND KEY EMPLOYEE STOCK PLAN

Profit Sharing 401(k) Plan:

The Company maintains a defined contribution retirement plan under Internal Revenue Code Section 401(k). Employees over the age of 21 are eligible, following three months of service, to contribute a specified percentage of their salary, not to exceed the statutory limit, to the plan. The Company's contribution is discretionary. The Company did not make a matching contribution during the year ended December 31, 2014.

SPENCER TRASK VENTURES, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014  
(continued)

NOTE 7      COMMITMENTS AND CONTINGENT LIABILITIES

On December 11, 2013, the Company relocated to a facility within New York City and entered into a rental agreement for a period of six months at \$6,535 per month. In May 2014, the rental agreement was extended for another six months and in October 2014 it was extended for an additional six months at a rate of \$5,307 per month.

The future minimum rental payments as of December 31, 2014 are as follows:

<u>Year ending December 31,</u>	<u>Lease Commitment</u>
2015	\$ 26,536
	<u>\$ 26,536</u>

For the year ended December 31, 2014, the total rent expense amounted to \$233,247, which is included in occupancy and expense sharing on the statement of operations.

The Company had no equipment rental commitments, no underwriting commitments and no contingent liabilities at December 31, 2014 or during the year then ended.

The Company has been named as defendants in several legal actions arising out of the normal course of its operations that claim substantial damages, the final outcome of which cannot presently be determined. The Company's management, after consultation with outside legal counsel, believes that the ultimate liability, if any, with respect to these matters will not have a material adverse effect on the Company's financial position.

NOTE 8      FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

In the normal course of business, the Company's customer activities involve the execution, settlement and servicing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer is unable to fulfill its contracted obligations to settle the transaction and the Company has to purchase or sell the financial instrument underlying the transaction at a loss. Pursuant to its clearing agreement with RBC, the Company introduces all of its securities transactions to its clearing broker on a fully disclosed basis. Therefore, all of the customers' money balances and long and short security positions are carried on the books of the clearing broker. In accordance with the clearing agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities

SPENCER TRASK VENTURES, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014  
(continued)

NOTE 8      FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK (continued)

transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing broker monitor collateral on the securities transactions introduced by the Company. At December 31, 2014 the receivable from clearing broker represents commissions receivable earned as an introducing broker for the transactions of its customers and its clearing deposit.

NOTE 9      TRANSACTIONS WITH RELATED PARTIES

For the year ended December 31, 2014, the Company shared office space with its Parent. In accordance with the expense sharing agreement (the "Agreement"), effective July 1, 2010, the Parent allocates a percentage of the rent and certain other overhead and administrative expenses to the Company. In lieu of cash payments, these amounts are recorded as capital contributions of the Parent; however, the Parent has the discretion to make capital contributions to the Company in lieu of cash payments or to be reimbursed by the Company. The Parent has adequate resources independent of the Company to pay these expenses, and the Company has no additional obligation, either direct or indirect, to compensate a third party for these expenses. The Agreement includes a provision for a monthly fee to the Parent. For the year ended December 31, 2014, capital contributions made in lieu of cash payments amounted to \$391,655.

Advances to employees represent commissions earned by sales representatives for which advances are taken against. As of December 31, 2014, this amount was \$175,914, is included on the statement of financial condition.

As part of its standard private placement fee, the Company receives warrants entitling the Company to acquire stock of the entity for which the Company is raising capital. On the date of receipt, these warrants have little or no value as the exercise price corresponds to the underlying stock's offering price. These warrants typically are transferred to the Parent for no consideration. At December 31, 2014, the Company had warrants not yet distributed to the Parent that had no market value.

NOTE 10      NET CAPITAL REQUIREMENTS

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2014, the Company had net capital of \$98,072 which exceeded required net capital of \$12,597 by \$85,475 and aggregate indebtedness of \$188,846. The Company's aggregate indebtedness to net capital ratio was 1.93 to 1 as of December 31, 2014.

SPENCER TRASK VENTURES, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2014  
(continued)

NOTE 11      GUARANTEES

FASB ASC 460, *Guarantees*, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement, as well as indirect guarantees of the indebtedness of others.

The Company has issued no guarantees effective at December 31, 2014 or during the year then ended.

NOTE 12      SUBSEQUENT EVENTS

On February 1, 2015, the Company assigned all of its right, title and interest in the 6% Senior Secured Convertible Note of Metavana, Inc. to Spencer Trask & Co., its Parent. The assignment will be treated as a dividend.